

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 3252 - HB 3870

February 19, 2010

SUMMARY OF BILL: Requires the Department of Education (DOE) to establish a pilot project requiring expelled students to attend an alternative school. This project shall be created in a local education agency with a population of 600,000 or more for the 2010-2011 school year. Requires DOE to monitor and review the program and make a report to the State Board of Education and the Education Committees of the General Assembly by February 18, 2012.

ESTIMATED FISCAL IMPACT:

Increase Local Expenditures - \$5,547,500*

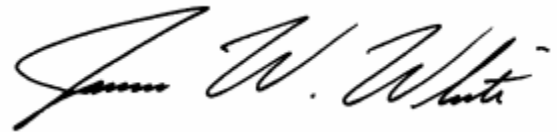
Assumptions:

- The pilot project will take place in the Memphis City School District.
- According to the 2008-09 Student Discipline Report, 3,508 students were expelled from Memphis City Schools (MCS) in the 2008-09 school year.
- Approximately 34 percent of those students (1,193), did not attend their suspension appeal hearing or optional alternative school placement.
- MCS officials estimate an annual expenditure of \$4,650 per additional alternative school student.
- The pilot project would increase local expenditures by approximately \$5,547,450 (1,193 x \$4,650).
- The BEP alternative component is calculated on the system-wide ADM; it is not a supplemental payment. No impact on the amount of dollars generated by the BEP. All expenditures will be local.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

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